Supreme Court, U. S.
FILED
AUG 20 1975
MICHAEL RODAK, JR., CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1974

No. 75-165

ADVANCED HYDRAULICS, INC.,
Petitioner,

vs.

OTIS ELEVATOR CO.,
Respondent.

SUPPLEMENTAL APPENDIX TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

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SUPPLEMENTAL APPENDIX TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

UNITED STATES DISTRICT COURT
Northern District of Illinois
Eastern Division

Name of Presiding Judge, Honorable Joseph Sam Perry

Cause No. 72 C 2405 Date May 1, 1974

Title of Cause—Advanced Hydraulics, Inc. vs. Otis Elevator Company.

This cause comes on upon defendant's Motion for Summary Judgment. The court has read and considered said motion and the memoranda of the respective parties in support thereof and in opposition thereto.

The court is of the opinion that said motion for summary judgment is well taken and should be granted; however, the court takes the granting of said motion under advisement and directs the defendant to submit proposed Findings of Fact and Conclusions of Law, and a proposed Judgment Order within ten (10) days. The plaintiff is given ten (10) days thereafter within which to file written objections thereto, and the cause is continued under advisement for final Findings of Fact and Conclusions of Law, and for final Judgment Order, until such date as the court shall enter the same.

May 2, 1974

/s/ J. S. PERRY

IN THE UNITED STATES DISTRICT COURT
For the Northern District of Illinois
Eastern Division

ADVANCED HYDRAULICS, INC.,
Plaintiff,
vs.
OTIS ELEVATOR COMPANY,
Defendant.
No. 72 C 2405

FINDINGS OF FACT AND CONCLUSIONS OF LAW

This cause comes on upon defendant's motion for summary judgment. The court earlier read and considered the motion and memoranda of the parties and in a previous order indicated that in its opinion the motion should be granted. Said order directed defendant to submit proposed Findings of Fact and Conclusions of Law and a proposed Judgment Order and defendant was given leave to file objections thereto. The court has read and considered the proposed findings, conclusions and judgment order, plaintiff's objections thereto and plaintiff's proposed additions and changes.

The court now hereby enters the following as its findings of fact and conclusions of law herein:

Findings of Fact

1. This is an action for patent infringement brought by the plaintiff against the defendant under the patent laws of the United States. Jurisdiction and venue are based on Title 28, Sections 1338(a) and 1400(b), respectively, of the U. S. Code.

2. Plaintiff, Advanced Hydraulics, Inc. is a corporation of the State of Illinois.

3. Defendant, Otis Elevator Company, is a corporation of the State of New Jersey and has a regular and established place of business within the Northern District of Illinois.

4. By complaint filed on September 26, 1972, plaintiff has charged defendant with infringement of U. S. Letters Patent No. 2,647,590 for "Hydraulic Elevator", issued to Carl A. Anderson, Jr.

5. Defendant has denied infringement and on November 9, 1973 moved for summary judgment that said patent is invalid and unenforceable and that said claim for infringement is barred by laches and estoppel.

6. Carl A. Anderson, Jr. applied for said patent on February 16, 1951; it was issued to him on August 4, 1953, and it expired 17 years thereafter on August 4, 1970.

7. Carl A. Anderson, Jr. and others organized the plaintiff corporation, Advanced Hydraulics, Inc., in March of 1967 and Anderson thereafter assigned said patent to plaintiff.

8. By letter dated June 30, 1967, plaintiff, through its attorney, charged defendant with infringement of said patent, threatening immediate legal action to enjoin defendant from further infringement and to recover damages.

9. In a letter, dated September 29, 1967, defendant, by counsel, denied the charge of infringement and stated:

> "We have investigated this matter and have concluded that we can find no basis for a determination that any of our Baker trucks constitute an infringement of any valid claim of patent 2,647,590. If you persist in your belief that one or more of our trucks infringe this patent and wish to describe to us specifically what structure is believed to constitute this infringement we shall be pleased to review our decision."

10. Plaintiff never responded to said letter or its request for particulars, nor did it at any time in the five-year period from September 29, 1967 to September 26, 1972, the date

on which this action was commenced, notify defendant that it persisted in its belief of infringement.

11. In that five-year period, Anderson, the inventor, died, in 1969, and the patent in suit expired, in 1970.

12. In 1968 plaintiff commenced patent infringement litigation in this District Court against the Clark Equipment Company (Case No. 68 C 865). However, plaintiff did not at any time subsequent to June 30, 1967 notify Otis that it would press its infringement claim against Otis. A summary judgment of non-infringement entered on April 26, 1971 in the Clark litigation was affirmed by the Seventh Circuit Court of Appeals on April 30, 1973.

Conclusions of Law

1. This court has jurisdiction of the parties and of the Anderson Patent No. 2,647,590. Venue is proper.

2. There is no genuine issue of material fact here as to plaintiff's five-year delay in filing suit until 1972 after its threat of legal action in 1967.

3. Plaintiff is estopped to deny that it was in 1967, the date of its notice to defendant, ready, willing and able to establish the validity and infringement of the Anderson patent, in court if necessary; its failure thereafter to make any reply to defendant's prompt denial of infringement and request for particulars "if you [plaintiff] persist in your belief", and plaintiff's unexcused five-year delay in filing suit without further notice were unreasonable. Plaintiff's claim herein is therefore barred by estoppel. *Continental Coatings Corp.* v. *Metco, Inc.*, 464 F. 2d 1375, 1380 (7th Cir. 1972); *Baker Mfg. Co.* v. *Whitewater Mfg. Co.*, 430 F. 2d 1008 (7th Cir. 1970).

4. Defendant is seriously prejudiced by plaintiff's unreasonable and inexcusable delay in failing to bring this action until 1972, after threat of suit in 1967, and in failing to respond promptly, or at all, to defendant's request for particulars of infringement. Plaintiff is guilty of laches barring its claim.

Gillons v. *Shell*, 86 F. 2d 600, 609 (9th Cir. 1936); *Continental Coatings Corp.* v. *Metco, Inc., supra; Baker Mfg. Co.* v. *Whitewater Mfg. Co., supra.*

5. Plaintiff's plea of "other litigation" in respect of the patent in suit affords no excuse for its five-year delay in filing suit after notice of infringement because plaintiff did not at any time during that delay give notice to defendant that it intended to press its claim. *American Home Products Corp.* v. *Lockwood*, 483 F. 2d 1120, 1123-1124 (6th Cir. 1973); *Baker Mfg. Co.* v. *Whitewater Mfg. Co., supra*, 430 F. 2d at 1013.

6. Plaintiff's delay in bringing this litigation for five years after threatening immediate suit and ignoring the defendant's request for particulars of infringement, and the resultant loss of evidence of the inventor in respect of the inventor's acts, prejudiced defendant, and bars plaintiff's claim. *Gillons* v. *Shell, supra.*

7. Plaintiff's disregard of the rights of defendant in belatedly filing this action bars the relief sought by plaintiff.

8. Summary judgment dismissing the complaint with prejudice should be granted for the reasons stated above.

There is a disagreement between the parties concerning infringement and whether Anderson reduced the invention of said patent to practice in 1945 or conceived the invention in 1945 and reduced it to practice in the fall of 1947 and an issue raised as to whether Anderson waited too long in applying for his patent. Having found and concluded that plaintiff's claim is barred by reason of estoppel and laches, it is not necessary for the court to reach issues of validity and infringement.

The court is entering simultaneously herewith a Judgment Order in accordance with its Findings of Fact and Conclusions of Law.

ENTER: /s/ J. S. PERRY

Dated: July 12, 1974 *Judge*

IN THE UNITED STATES DISTRICT COURT
For the Northern District of Illinois
Eastern Division

ADVANCED HYDRAULICS, INC.,
Plaintiff,
vs.
OTIS ELEVATOR COMPANY,
Defendant.

No. 72 C 2405

JUDGMENT ORDER

This cause having come on to be heard on the motion of defendant for a summary judgment and the issues having been duly considered and the court having this day entered simultaneously herewith its Findings of Fact and Conclusions of Law herein, in accordance therewith,

It is ORDERED and ADJUDGED that:

1. Plaintiff's claim against defendant for damages for infringement of said patent is barred by estoppel.

2. Plaintiff's claim against defendant for damages for infringement of said patent is barred by laches.

3. Summary judgment be and it is hereby entered in favor of defendant and against plaintiff and the complaint is dismissed with prejudice.

4. Defendant is entitled to recover its costs from plaintiff in an amount to be taxed by the Clerk of the Court.

ENTER: /s/ J. S. PERRY
Judge

Dated: July 12, 1974